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OF COUNSEL WILLIAM G. CONLY

April 13, 2006

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Sand, Reservoir A; and Pettit (Lime) Formation; LONGWOOD FIELD, Caddo Parish, Louisiana.

Dear Sir:

MATADOR PRODUCTION COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Sand, Reservoir A; and to the Pettit (Lime) Formation; all in the Longwood Field, Caddo Parish, Louisiana:

- 1. To create three (3) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Sand, Reservoir A, such units being shown on an attached plat and being designated HOSS RA SU72, HOSS RA SU73 and HOSS RA SU74.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate Applicant as Operator of the proposed additional unit designated HOSS RA SU72, and to authorize Applicant to drill, designate and utilize the unit well and an alternate unit well for this unit at the locations shown on an attached plat, in exception to the spacing provisions of Office of Conservation Order No. 123-C, effective February 1, 1972.
- 4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit designated PET SU61 (said unit being shown on an attached plat and having been created by Office of Conservation Order No. 123, effective September 11, 1946), in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
- 5. To designate Applicant as Operator of PET SU61, and to authorize Applicant to drill, designate and utilize the unit well and an alternate unit well for this unit at the locations shown on an attached plat, in exception to the spacing provisions of Office of Conservation Order No. 123, effective September 11, 1946.

Honorable James H. Welsh April 13, 2006 Page 2

- 6. To find that the proposed alternate unit well is necessary to efficiently and economically drain a portion of the hydrocarbons underlying the units on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such units.
- 7. To permit the Operator of HOSS RA SU72 and of PET SU61 to produce the allowables assigned to such units from either the unit well, the alternate unit well, or from a combination of such wells, at the option of the Operator.
- 8. To extend to the proposed additional units for the Hosston Sand, Reservoir A, except as in conflict herewith, the provisions of Office of Conservation Order No. 123-C, effective February 1, 1972, as amended and supplemented by the Order No. 123-C series of Orders.
- 9. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Sand, Reservoir A, in the Longwood Field, Caddo Parish, Louisiana, was defined in Office of Conservation Order No. 123-C-17, effective April 4, 1990. The Pettit (Lime) Formation in the Longwood Field, Caddo Parish, Louisiana, was defined in Office of Conservation Order No. 123, effective September 11, 1946.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated March 31, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set April 26, 2006, as the tentative date for the pre-application conference. A single pre-application conference request was received, but it was subsequently withdrawn; accordingly, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plats (which are identical to the unit plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Longwood Field, all in accordance with the

Honorable James H. Welsh April 13, 2006 Page 3

Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

David L. Smellev

Attorney for Matador Production Company

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encl.)

Mr. Kevin Donahue (w/encl.) Mr. Louis Gilbert (w/encl.)

Interested Owners, Represented Parties and Interested Parties (w/plats only)



